

Message Text

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FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC NIACT IMMEDIATE 1325

S E C R E T SECTION 1 OF 3 ISLAMABAD 4398

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FOR ATHERTON FROM CHARGE

E.O. 11652: XGDS
TAGS: PFOR, PK, US
SUBJECT: POLICY RECOMMENDATIONS

REFERENCE: ISLAMABAD 4385

1. WE SENT YESTERDAY IN REFTEL MISSION SUGGESTION ON OUR POSTURE HERE OVER THE SHORT-TERM. AS EVENTS HAVE DEVELOPED, I NOW REGARD THE SHORT-TERM AS LASTING ONLY A VERY FEW DAYS, AND RECOMMEND WE CONSIDER IMPLEMENTING IN THE NEAR FUTURE A PUBLICLY ANNOUNCED GENERAL STAND-DOWN IN OUR RELATIONS WITH PAKISTAN. BY THIS I MEAN A POLICY OF CONTINUING CONTRACTED PROGRAMS, PASSIVELY ACCEPTING NEW REQUESTS FROM THE GOA, BUT DECLINING TO APPROVE ANY NEW SALES OR PROGRAMS WHILE RELATIONS REMAIN UNSATISFACTORY, UNLESS SUCH PROGRAMS ARE OF SPECIAL AND IMMEDIATE BENEFIT TO THE U.S.

2. BHUTTO HAS NEATLY ILLUSTRATED OUR DILEMMA HERE BY HIS LETTER-WAVING PERFORMANCE IN RAWALPINDI YESTERDAY IN WHICH HE IMPLIED THAT THE SECRETARY WAS IN EFFECT APOLOGIZING. OUTRAGEOUS, BUT PROBABLY EFFECTIVE. WE ARE DEALING WITH AN UNSCRUPULOUS, ARTICULATE,
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SKILLFUL DEMAGOGUE WHO WILL NOT HESITATE TO MISREPRESENT ANY STEP WE TAKE,,IF IT IS TO HIS ADVANTAGE TO DO SO. WE BELIEVE HE HAS IRREVOCABLY EMBARKED ON A DOMESTIC POLITICAL STRATEGY WHICH HAS, AS ONE OF ITS CENTRAL COMPONENTS, A CAMPAIGN WHICH WILL LAST AT LEAST SEVERAL MONTHS AGAINST THE UNITED STATES. WE THUS TEND NOW, WITH OUR PRESENT POSTURE, TO FIND OURSELVES IN A "HEADS,

HE WINS, TAILS, WE LOSE" SITUATION. A RESTRAINED DIPLOMATIC APPROACH WILL BE USED BY BHUTTO AS ADMISSION OF U.S. GUILT; A TOUGH RETALIATORY POLICY WILL BE MET WITH "YOU SEE, I WAS RIGHT; THEY ARE TRYING TO OVERTHROW ME."

3. AS WE SEE IT, THERE ARE NOW THREE POSSIBLE NEAR-TERM OUTCOMES TO THE PRESENT CRISIS IN PAKISTAN: (A) A NEGOTIATED SETTLEMENT CALLING FOR NEW ELECTIONS WITH BHUTTO REMAINING AS PRIME MINISTER; (B) A COMPLETE BREAKDOWN OF THE TALKS, WITH BHUTTO REMAINING IN UNEASY POWER BACKED BY THE MILITARY OR (C) BHUTTO DEPOSED BY A MARTIAL LAW REGIME THAT CALLS FOR NEW ELECTIONS SOME TIME IN THE FUTURE. IN ANY OF THESE SCENARIOS, BHUTTO'S ALLEGATIONS AGAINST THE U.S. ARE CERTAIN TO PLAY A PROMINENT PART. ONLY IN THE EVENT OF A MARTIAL LAW REGIME WOULD IT BE POSSIBLE, IN THE SHORT-TERM, TO ANTICIPATE THAT THE ALLEGATIONS OF U.S. EFFORTS TO OVERTHROW BHUTTO WOULD BE DROPPED AS THE OFFICIAL GOVERNMENT LINE. AND EVEN IN THE MARTIAL LAW SCENARIO, WITH AN ELECTION CAMPAIGN IN THE OFFING, THE ISSUE WOULD BE VERY MUCH ALIVE.

4. IN THESE CIRCUMSTANCES, WE WILL BE ABUSED DAILY IN SOME FORM OR ANOTHER, AND, UNDER OPTION (A) OR (B), WITH OFFICIAL SANCTION. OUR CHOICES ARE ROUGHLY: (1) TO URN THE OTHER CHEEK, WHILE PROTESTING EACH ABUSE (2) TO RESPOND WITH ESCALATORY REACTIONS; OR (3) TO TAKE A COMPREHENSIVE ONE-SHOT ACTION WHICH I WOULD DEFINE AS A TEMPORARY STAND-DOWN IN OUR RELATIONS WITH PAKISTAN UNTIL
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THE PRESENT CRISIS IS RESOLVED AND THE FUTURE LEADERSHIP OF PAKISTAN CLEAR.

5. OPTION ONE HAS NO APPEAL: IT IS USELESS IN INFLUENCING BHUTTO'S ACTIONS HERE, IS UNBECOMING AND WOULD BE READ IN PAKISTAN AND PROBABLY ELSEWHERE AS A TACIT ADMISSION OF GUILT.

6. OPTION TWO PLACES US IN A CONSTANTLY REACTIVE POSITION AND AT THE WHIM OF BHUTTO'S MERCURIAL AND DEMAGOGIC TWISTS AND TURNS, AND FORCES US TO CONTEST EACH NEW ALLEGATION AS BHUTTO CHOOSES TO RELEASE IT. THIS APPROACH WOULD ALMOST CERTAINLY INVOLVE AN ESCALATION, WITH SUCCESSIVELY UNPLEASANT INCIDENTS, POSSIBLY INCLUDING EXPULSIONS OF PERSONNEL AND THE CLOSING OF INSTALLATIONS. ITS GREATEST DRAWBACK IS THAT THIS POWER OF ESCALATION COULD FORCE US EVENTUALLY TO CANCEL PROGRAMS THAT WE BELIEVE ARE IN OUR LONG-TERM INTEREST TO PRESERVE (SUCH AS RELATIONSHIP WITH THE PAK MILITARY PROGRAM,

AND SOME OF OUR AID PROGRAMS.

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FOR ATHERTON FROH CHARGE

7. OPTION THREE IS THE ONE I COMMEND TO THE DEPARTMENT. THE PROPOSED PRESS COMMENT BELOW OUTLINES THE ESSENCE OF THIS APPROACH: "IN VIEW OF THE HIGHLY SERIOUS FALSE ALLEGATIONS AGAINST THE UNITED STATES MADE BY THE PRIME MINISTER OF PAKISTAN AND THEIR CONTINUED REPETITION BY RESPONSIBLE LEADERS OF HIS GOVERNMENT AND THE OFFICIAL PARTY, WE HAVE RELUCTANTLY CONCLUDED THAT IT IS NOT POSSIBLE TO CONTINUE AT THE PRESENT LEVEL OUR RELATIONS WITH THE GOVERNMENT OF PAKISTAN. WE HAVE THEREFORE DECIDED THAT FOR THE PRESENT TIME IN PAKISTAN, WE WILL PURSUE A STAND-DOWN POLICY. UNDER THIS APPROACH WE WILL HONOR EXISTING CONTRACTS IN SUCH AREAS AS ECONOMIC AID PROGRAMS AND MILITARY SUPPLY. WE WILL NOT REACH NEW AGREEMENTS, UNTIL SUCH TIME AS THE SITUATION IN PAKISTAN PERMITS THE RESUMPTION OF A MUTUALLY SATISFACTORY RELATIONSHIP. WE WILL CONTINUE TO RECEIVE ANY NEW REQUESTS FOR PROGRAMS OF MUTUAL INTEREST AND WE WILL KEEP THEM UNDER REVIEW DURING THIS INTERIM PERIOD WHICH WE HOPE WOULD BE OF SHORT DURATION." WE WOULD EXPECT THAT THERE WOULD BE SOME THINNING OUT OF U.S. PERSONNEL IN PAKISTAN DURING THIS PERIOD IN VIEW OF OUR OVERALL DECREASED RESPONSIBILITIES. THIS COULD TAKE PLACE THROUGH NORMAL ATTRITION, AS NORMAL TOUR OF DUTY TRANSFERS OCCUR.

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8. OPTION THREE IS NOT WITHOUT ITS RISKS, BUT IT OFFERS SEVERAL ADVANTAGES: (A) WE CAN SHOW BHUTTO, PAKISTAN AND OTHER INTERESTED OBSERVERS A STANCE THAT IS DIGNIFIED BUT FIRM IN CONCRETE TERMS; (B) WE WILL HAVE A POSTURE THAT COULD HOLD GOOD FOR SOME MONTHS AND OBVIATE THE NEED TO REACT TO EACH SUCCESSIVE BHUTTO OUTBURST (WE COULD EITHER SHRUG THEM OFF OR REACT VERBALLY, DEPENDING ON THE DEGREE OF PRGVOICATION); (C) WE WOULD STILL RETAIN THZ FLEXIBILITY OF MAKING NEW COMMITMENTS UNDER PROGRAMS WHICH WE SEE CLEARLY TO BE OF IMMEDIATE AND SPECIFIC BENEFIT TO THE US. WE NOW IDENTIFY THESE AS BEING LIMITED TO TRAINING IN THE US FOR PAK MILITARY, CU-FINANCED VISITORS PROGRAMS, NARCOTICS OPERATIONS, AND ASSISTANCE FOR AIRPORT SEKURITY; (D) THOSE WITH THE GREATEST STAKE IN GOOD US-PAK RELATIONS -- THE PRC, IRAN, AND SAUDI ARABIA -- WILL BE AWARE THAT WE ARE KEEPING THE DOOR OPEN TO A RESUMPTION OF THESE RELATIONS AND MAY SEE IT TO THEIR INTEREST TO INFLUEMCE BHUTTOITO CHANGE HIS TUNE. WE WOULD BE IN A POSITION TO MAKE POSITIVE RESPONSES DEPENDING UPON OUR ASSESSMENT OF THE UTILITY OF DOING SO. ALSO WE WILL BE ABLE TO MAINTAIN SOME ROLE HERE BY IMPLEMENTING ON-

GOING PROGRAMS AND PRESERVE THE CAPABILITY TO EXPAND OUR RELATIONSHIP EASILY SOME MONTHS HENCE IF WE CHOOSE TO DO SO.

9. THE PRINCIPAL DRAWBACK IN THIS OPTION IS THAT BHUTTO COULD RETALIATE QUICKLY AND FORCEFULLY BY CLOSING POSTS SUCH AS PESHAWAR AND LAHORE, EXPELLING ALL AID, USIS, DEA AND MILITARY PERSONNEL. THE RISK IS REAL, BUT IS ONE WE RUN EQUALLY IN THE ESCALATING REACTIVE OPTION. THERE ARE THREE OTHER AREAS OF CONCERN RELATING TO THE NUCLEAR REPROCESSING ISSUE, THE QUESTION OF TIMING, AND GEO-POLITICAL CONSIDERATIONS. THE THREE QUESTIONS ARE ADDRESSED IN THE PARAGRAPHS BELOW.

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10. I HAVE GIVEN SERIOUS CONSIDERATION TO HOW THIS PROPOSED POLICY WOULD AFFECT THE REPROCESSING ISSUE, SINCE IT IS CENTRAL TO OUR PRESENT RELATIONSHIP WITH PAKISTAN. IF I THOUGHT MY SUGGESTED APPROACH WOULD MATERIALLY HARM OUR NON-PROLIFERATION GOALS I WOULD BE HESITANT TO PUT IT FORWARD. I HAVE RELUCTANTLY CONCLUDED THAT IN THE EXISTING POLITICAL ENVIRONMENT IN PAKISTAN, WE WILL NOT BE ABLE TO MAKE ANY PERCEPTIBLE FORWARD MOVEMENT ON THIS ISSUE WITH BHUTTO. BHUTTO'S STRATEGY IS TO TAKE THE UNITED STATES ON, AND WHILE PURSUING THAT DOMESTIC LINE, IT WILL BE

IMPOSSIBLE FOR HIM TO ENTER INTO GOOD FAITH NEGOTIATIONS WITH US ON REPROCESSING. SUCH NEGOTIATIONS RUN CONTRARY TO HIS STATED PUBLIC POSITION ON RELATIONS WITH THE USA.

HE MADE OPPOSITION TO THE REPROCESSING PLANT A MAJOR ELEMENT IN DEVELOPING HIS APRIL 28 "US CONSPIRACY" THEME. MOREOVER, IF AS MANY THINK, WE ARE ENTERING ANOTHER PRE-ELECTION CAMPAIGN PERIOD, THE CHANCE OF SUCCESSFUL NEGOTIATIONS ON REPROCESSING ARE EVEN FURTHER DIMMED.

11. THE TIMING OF OUR IMPLEMENTATION AND PUBLIC ANNOUNCEMENT OF THE STAND-DOWN POLICY IS IMPORTANT. WE BELIEVE WE CANNOT WAIT FOR SEVERAL WEEKS, FOR THE EFFECTIVENESS OF OUR APPROACH DEPENDS ON OUR RESPONDING FIRMLY IN A PROMPT AND TIMELY FASHION TO BHUTTO'S CHARGES. I REALIZE THERE WILL BE SOME WHO WOULD CONTENT THAT WE SHOULD AT LEAST GIVE BHUTTO THE OPPORTUNITY TO REPLY TO THE SECRETARY'S LETTER BEFORE INSTITUTING SUCH A SUBSTANTIAL CHANGE IN OUR RELATIONSHIP WITH PAKISTAN. IT MAY WELL BE THAT BHUTTO'S REPLY TO THE SECRETARY - WHETHER HE SENDS IT IMMEDIATELY OR WAITS SEVERAL WEEKS - WILL SUPERFICIALLY BE MORE FORTHCOMING AND SEEMINGLY CONCILIATORY IN TONE THAN HIS PUBLIC UTTERANCES. HOWEVER, I BELIEVE THAT HIS REAL RESPONSE TO THE LETTER WAS EVIDENCED YESTERDAY WHEN HE WAVED IT DURING HIS PUBLIC SPEECHES IN PINDI IMPLYING THAT THE US WAS APOLOGIZING FOR ITS ACTIONS AND ASKING

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PRIVATELY. IN OTHER WORDS, ALTHOUGH FOR FORM'S SAKE ONE COULD ARGUE WE SHOULD WAIT FOR A REPLY - AT LEAST FOR SEVERAL DAYS - I WOULD CONTENT THAT WE HAVE ALREADY RECEIVED BHUTTO'S FUNDAMENTAL RESPONSE IN HIS TREATMENT OF THE MESSAGE FROM THE SECRETARY.

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12. WE DOUBT THAT WHEN HE DECIDED ON HIS DRAMATIC ANTI-AMERICAN CAMPAIGN, BHUTTO HAD ANY PRECISE IDEA OF THE NEW ORIENTATION PAKISTAN FOREIGN POLICY MIGHT TAKE IN ITS WAKE. IT SEEMS LIKELY, HOWEVER, THAT HE GAVE AT LEAST IMPRECISE FORMULATION TO A VARIETY OF APPROACHES WHICH HE HAS TALKED ABOUT FROM TIME TO TIME AND WHICH, IN ANY EVENT, WOULD COME NATURALLY TO ANY PAK FOREIGN POLICY PLANNER. AN ENHANCED AND MORE MILITANT THIRD WORLD ROLE, AN EXIT FROM CENTO (IF HE ASSESSED THAT THIS WOULD NOT DAMAGE HIS RELATIONS WITH THE SHAH) FOLLOWED BY AN ACTIVE LEADERSHIP POSITION IN THE NON-ALIGNED MOVEMENT, AND CLOSER TIES WITH THE SOVIET UNION WOULD OBVIOUSLY BE AMONG THE APPROACHES THAT CROSSED HIS MIND, AND WHICH HE IS NOW LIKELY TO GIVE MORE CAREFUL CONSIDERATION.

13. THERE WILL BE THOSE IN WASHINGTON WHO WILL BE APPREHENSIVE ABOUT THE IMPACT THE INTERIM POLICY I HAVE SUGGESTED WILL HAVE ON THESE CONSIDERATIONS. I DO NOT BELIEVE WE SHOULD BE OVERLY CONCERNED. IF BHUTTO CHOOSES TO BECOME CLOSER TO THE SOVIETS AND TO BECOME A FIRE-BREATHING NAM RADICAL, IT WILL NOT BE THIS SUGGESTED RESPONSE TO HIS ANTI-AMERICAN POSTURE WHICH WILL LEAD HIM TO IT. WE ARE AFTER ALL BEING CAREFUL NOT TO SLAM
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THE DOOR TO PAKISTAN, EVEN ON BHUTTO'S PAKISTAN, AND HE WILL HAVE TO WEIGH WHAT EFFECT A GREATER SOVIET ROLE HERE WOULD HAVE ON HIS VALUED RELATIONSHIP WITH IRAN, SAUDI ARABIA, AND THE PRC.

14. THERE ARE OBVIOUSLY MANY DETAILS TO BE WORKED OUT AND WE WILL BE GIVING THEM ADDITIONAL THOUGHT OVER THE NEXT FEW DAYS. AT THE PRESENT TIME, AND UNTIL I HAVE SOME INDICATION OF THE DEPARTMENT'S THINKING, I DO NOT INTEND TO DISCUSS THIS PROPOSAL WITH ANYONE HERE BEYOND A FEW SENIOR MEMBERS OF THE EMBASSY STAFF. THERE IS ALREADY A CONSIDERABLE FEELING OF INSECURITY OVER THE FUTURE AMONG SOME PARTS OF THE MISSION AND DEPENDENTS AND I DO NOT WANT TO STIMULATE ANY SPECULATION.

15. PETER LANDE HAS INDICATED IN STATE 098419 THAT DEPT IS CONTEMPLATING ACTIONS AFFECTING "ON-GOING MUNITIONS SHIPMENTS." I AM RESPONDING TO PETER NOTING THAT I AM FORWARDING MY GENERAL THOUGHTS TO YOU. I AM NOT SURE WHAT THE DEPARTMENT MAY HAVE IN MIND IN THE CATEGORY OF "ON-GOING MUNITIONS SHIPMENTS," BUT I WOULD ARGUE STRENUOUSLY AGAINST CANCELLATION OF ANY EXISTING SALES CONTRACTS (EVEN OF CONTROVERSIAL LETHAL EQUIPMENT) BECAUSE TO DO SO WOULD STRENGTHEN BHUTTO(S) HAND WITH THE MILITARY AND OTHERS IN FINGERING THE AMERICANS AS UNRELIABLE. EQUALLY STRONGLY I WOULD ARGUE AGAINST ANY OVERALL EFFORT TO CLOSE DOWN THE PIPELINE FOR THE ABOVE REASONS AND BECAUSE OF MY OWN SHARP MEMORIES OF THE BUREAUCRATIC AND PUBLIC RELATIONS NIGHTMARE THAT OCCURRED IN 1971 WHEN THE DEPARTMENT FOUND ITSELF UNABLE TO CHOKE OFF COMPLETELY THE BITS AND PIECES FLOATING OUT OF DOD. FOR THE REASONS STATED IN THE BODY OF THIS CABLE, I BELIEVE A COMPREHENSIVE APPROACH WILL HAVE BETTER IMPACT AND PERHAPS FEWER HAZARDS THAN A SERIES OF ONE-SHOT OPERATIONS. AS FOR AN IMMEDIATE STEP THAT CAN BE TAKEN TO DEMONSTRATE OUR

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RESOLVE, I BELIEVE WITHDRAWAL OF THE COMMUNICATIONS EQUIPMENT PACKAGE, AS WE RECOMMENDED IN REFTTEL, WOULD SERVE OUR PURPOSES.
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